Teagasc National Farm Survey 2021

Mid-Season Lowland Lamb Enterprise Factsheet

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Athenry
Co Galway
H65 R718
Ireland

Mid Season Lowland Lamb Factsheet Average Performance 2021

Irish Sheep Slaughter
2.97 million head (down 4.5%)

Irish Lamb Slaughter
2.59 million head (down 4.7%)

Sheep Meat Exports
69,000 tonnes cwe (down 9%)

Irish Breeding Sheep
2.9 million (up 2%)

Lamb price
€664/100kg (up 28%)

Lamb Carcass kg per ha
up 5% on 2020 level

Total Production Costs
(Mid Season Lowland)
€165 per ewe (up 13%)
€1,204 per ha (up 19%)

Gross Margin
(Mid Season Lowland)
€929 per hectare (up 56%)

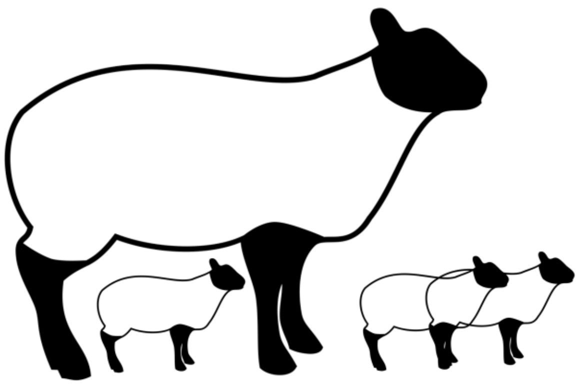
Net Margin
(Mid Season Lowland)
€288 per hectare (up 168%)

Stocking Rate
(Mid Season Lowland)
7.45 ewes/ha (up 3%)

Weaning Rate
(Mid Season Lowland)
1.39 lambs/ewe (unchanged)

Lamb Mortality
(Mid Season Lowland)
6% (unchanged)

Lambs Weaned/ ha
(Mid Season Lowland)
10.43 lambs/ha (up 5%)



Source: Teagasc National Farm Survey 2021 and Central Statistics Office
Note: Percentage changes are relative to 2020

Background

The 2021 Teagasc National Farm Survey (NFS) recorded data on over 837 farms, representative of almost 85,000 dairy, beef, sheep and tillage farms in Ireland. The full financial results for these farms are available in the Teagasc NFS 2021 Report, which is available at www.teagasc.ie/publications. This factsheet summarises results for farms with a mid-season lamb enterprise and only sheep farms with more than 20 ewes are included in the analysis. The data relates to 96 farms and is nationally representative of 10,100 farms.

1. Analysis of Financial Performance

The margin figures reported here exclude all decoupled payments and costs relating to family labour. Following a decline in sheep margins in 2020, a substantial increase in margins occurred in 2021 to bring margins to unprecedented levels. Gross output increased in 2021 to €1,493 per hectare, with gains resulting from more favourable lamb prices and a 13% increase in coupled payments. Concentrate feed expenditure increased by 9%, with pasture and forage and other direct costs also increasing by 7 and 5% respectively, resulting in total direct costs increasing by 7%, to €564 per hectare in 2021. Overhead costs in 2021 were 31% higher, at €640 hectare on average. Total production costs increased by 19% year on year to €1,204 per hectare. Overall, gross margin increased 56% in 2021, to €929 per hectare on average, while net margin in 2021 increased substantially, almost trebling to €288 per hectare.

Table 1: Average gross margin and net margin per hectare in 2020 and 2021: Mid-Season Lamb

	2020 € per hectare	2021 € per hectare	2021/2020 % change
Coupled payments	44	50	+13
Gross Output	**1,122**	**1,493**	**+33**
Concentrate Costs	221	241	+9
Pasture and Forage Costs	146	156	+7
Other Direct Costs	159	167	+5
Total Direct Costs	527	564	+7
Gross Margin	**596**	**929**	**+56**
Energy and Fuel	108	146	+35
Other Fixed Costs	380	494	+30
Total Fixed Costs	**488**	**640**	+31
Total Costs	**1,015**	**1,204**	**+19**
Net Margin	**107**	**288**	**+168**

Source: Teagasc National Farm Survey 2021

Table 2 presents the average gross and net margin per ewe for 2020 and 2021, reflecting an over three fold increase in net margin per ewe in 2021 to €37 per ewe.

Table 2: Average, gross and net margin per ewe in 2020 and 2021: Mid-Season Lamb

		2020	2021	2021/2020 % change
Gross Output	€ per ewe	**156**	**202**	**+29**
Total Direct Costs	€ per ewe	74	76	+2
Gross Margin	€ per ewe	**82**	**126**	**+53**
Total Fixed Costs	€ per ewe	71	89	+24
Net Margin	€ per ewe	**11**	**37**	**+244**

Source: Teagasc National Farm Survey 2021

This follows a net margin of €11 per ewe in 2020 year. The net margin in 2021 is well ahead of the next most recent favourable net margin year in 2017 (€23 per ewe).

2. Variation in Financial Performance

Table 3 summarises results for farms classified on the basis of gross margin per hectare; the best performing one-third of farms (Top), the middle one-third (Middle) and the poorest performing one-third (Bottom). Due to higher stocking and weaning rates, output on the Top farms is over two and a half times that on the Bottom performing farms. Interestingly, expenditure on concentrate feed directly related to the sheep enterprise are highest on the bottom group per hectare when compared to the top and middle group of farms. The superior efficiency and productivity performance of the top group in comparison to the other two groups results in a gross margin per hectare of €1,585, over five times higher on the top farms compared to the bottom group.

Table 3: Variation in output and profit: Top, Middle, Bottom thirds Mid-Season Lamb producers 2021

		Top	Middle	Bottom
Stocking rate	ewes per hectare	8.67	7.76	5.96
Weaning rate	lambs per ewe	1.48	1.41	1.29
Gross Output	€/hectare	2,171	1,497	835
Concentrates	€/hectare	231	225	266
Pasture and Forage	€/hectare	167	174	127
Other Direct Costs	€/hectare	188	178	136
Total Direct Costs	€/hectare	586	577	529
Gross Margin	**€/hectare**	**1,585**	**919**	**306**

Source: Teagasc National Farm Survey 2021

The proportion of farms achieving higher gross margins per hectare in 2021 increased substantially, to unprecedented levels, with majority of sheepmeat producers (63%) earning more than €750 per hectare. The proportion of farms in the over €500-€750 per hectare category was relatively on par with earlier years, at 16 percent. Higher gross output impacted most positively on the distribution of the gross margin for 2021, far outweighing the input cost increases.

Table 4: Distribution of gross margin € per hectare: 2020 and 2021

Gross Margin	% of farms 2020	% of farms 2021
<300	23	13
300 to 500	33	8
>500 to 750	17	16
>750 to 1,000	13	16
>1,000	15	47

Source: Teagasc National Farm Survey 2021

3. Variation in Technical Performance

Table 5 presents a number of technical performance indicators for sheep producers. Stocking rate increased by 3% from 2020 to 2021, while weaning rate was on par with earlier years. A year on year improvement in technical performance is reflected in the increase in carcass output per hectare, albeit a small increase. The increase in physical output per hectare is one of key drivers of output in 2021, and coupled with the more favourable prices, it led to very large increases in gross output, as reported in Table 1, increasing on average by 33%.

Table 5: Technical performance indicators sheep farms in 2020 and 2021

		2020	2021	2021/2020 % change
Stocking rate	ewes per hectare	7.24	7.45	+3
Weaning rate	lambs per ewe	1.40	1.39	-
Lamb mortality	%	6	6	-
Lambs weaned	No. lambs per hectare	9.96	10.43	+5
Lamb carcass weight	kg per hectare	199	209	+5

Source: Teagasc National Farm Survey 2021

The proportion of sheep farms attaining the Teagasc Sectoral Road Map targets for sheep production in 2027 is presented in Table 6. In line with the findings above, the proportion of sheep producers reporting a lamb mortality rate of less than 8% increased to 77% in 2021. In addition, 61% of farms reported more than 96% of ewes lambed, with this proportion reflecting a slight year on year decrease from 2020 year, at 66%. The proportion of farms weaning more than 1.55 lambs per ewe in 2021 increased by 10 percentage points, while the share of farms reporting a stocking rate of at least 9 ewes per hectare remained at 22%.

On the environmental Teagasc Sectoral Road Map targets for sheep production, 68% of farms reported N application per hectare of less than 85kg for 2021, declining 5 percentage points from the previous year. The percentage applying protected urea increased to 11% in 2021. The data recording in relation to the application of LESS (Low Emissions Slurry Spreading) took place for the first time in 2021. The sheep enterprise level data indicates that 27% of farms had adopted this technique in 2021.

Table 6: Percentage of farms achieving selected Teagasc 2027 Sheep Road Map Targets

Teagasc Road Map 2027 Target	2020	2021
Lamb Mortality ≤ 8%	74	77
Ewes lambed ≥ 96%	66	61
Weaning rate: > 1.55	22	32
Stocking rate > 9 Ewes per hectare	22	22
Nitrogen Fertiliser per Hectare < 85 kg	73	68
Percentage applying protected urea	9	11
Percentage slurry applied by LESS	N/R	27

Source: Teagasc National Farm Survey 2021

Table 7 illustrates the relatively small flock size across farms, with almost 60% of all flocks below 100 ewes in 2021. Flocks of less than 100 ewes were responsible for over half of the lambs (53%) produced across farms in 2021. The previous years' shift towards larger flock sizes (100-150 ewes), was somewhat reversed in 2021, down from almost 31% of flocks in 2019 to 27% of flocks in 2020 and 25% in 2021. The percentage of lamb produced by this flock size category consequently also decreased slightly year on year to 24% in 2021, down from 28% in both 2019 and 2020. Just 19% of farms had flocks of more than 150 ewes in 2021, with these flocks producing 23% of lamb. The equivalent for this >150 ewe category in 2020 was 15% of flocks producing 19% of lamb.

Table 7: Distribution of flock size 2021

	% of flocks	% of lamb produced
<50	27	27
50-100	29	26
>100-150	25	24
>150	19	23

Source: Teagasc National Farm Survey 2021

For further information on this publication or other Teagasc National Farm Survey Publications, please contact NFS@teagasc.ie